

SUBCHAPTER S—VALUATION, INTERSTATE COMMERCE ACT

NOTE: Forms prescribed in part 362 are available upon request from the Office of the Secretary, Federal Energy Regulatory Commission, 825 North Capitol Street, NE., Washington DC 20426.

PART 362—UNIFORM SYSTEM OF RECORDS AND REPORTS OF PROPERTY CHANGES

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AUTHORITY: Sec. 12, 24 Stat. 383, 37 Stat. 701; 49 U.S.C. 12, 19a.

SOURCE: Order 119, 46 FR 9052, Jan. 28, 1981, unless otherwise noted.

NOTE: In §§362.0 to 362.300 the numbers to the right of the decimal point correspond with the respective section numbers in regulations and instructions to govern the recording and reporting of all extensions and improvements or other physical property of every common carrier. Valuation Order 3, second revised issue. Interstate Commerce Commission, effective January 1, 1919.

CROSS REFERENCE: For uniform system of records and reports of property changes, pipe line carriers, see part 361 of this chapter.

REGULATIONS AND INSTRUCTIONS

§362.1 Uniform system for recording and reporting changes in physical property.

(a) The regulations and instructions to govern the recording and reporting of changes in physical property of every common carrier subject to the provisions of the act to regulate commerce, which are set out in printed form to be hereafter known as Second Revised Issue are hereby prescribed for the use of the aforesaid carriers in the keeping of their records and in the preparation of reports of changes in physical property required by the Commission to be filed with it in accordance with section 19a of the Interstate Commerce Act; each and every such carrier and each and every receiver or operating trustee of any such carrier is hereby required to keep its records and to prepare and furnish to the Commission reports of changes in physical property in conformity therewith.

(b) Each and every carrier of the class hereinbefore described and referred to, and each and every receiver or operating trustee of any such carrier, whose property has been inventoried as of June 30, 1916, or as of June 30 of any previous year, shall be, and is hereby required to file with the Commission on forms like B. V. Form No. 589, as soon as the same can be prepared, showing separately for each valuation section within each State, Territory, and the District of Columbia, annual reports for the years ending June 30 of each year, up to and including the year ending June 30, 1917, and separately a report for the 6 months ending December 31, 1917. Those carriers whose property was inventoried as of June 30, 1917, shall file reports for the 6 months ending December 31, 1917. Thereafter the reports shall be made annually for the year ending December 31. Beginning with the year ending December 31, 1919, the reports shall be made within 60 days from the close of the year. Each and every such carrier, and each and every receiver, or operating trustee of such carrier, be and is hereby required, within 90 days from the date prescribed by the Commission, to file on B. V. Forms No. 588 a statement of the property added since the

inventory or since the date of any such previous list, and its cost, and a statement of the property retired or released since the inventory or since the date of any such previous list, and its cost, to December 31, 1927, or to such other date or dates as may be indicated, in accordance with the list of property units attached to Revised Supplement No. 4, to Valuation Order No. 3, Second Revised Issue (§362.200), and the detailed instructions relating to the preparation of Forms No. 588.

(c) [Reserved]

(d) Other reports shall be prepared and filed as called for by the instructions: *Provided*, That each and every carrier of the class described and referred to in this part and each and every receiver or operating trustee of any such carrier, shall be, and is hereby, required to keep, subsequent to December 31, 1918, the system of records provided in this part, in the manner prescribed in this part, so that reports on the forms and in accordance with the regulations and instructions provided in this part and prescribed can be prepared therefrom.

(e) Each and every carrier of the class described and referred to in this part, and each and every receiver or operating trustee of any such carrier, whose property has been inventoried as of June 30, 1918, or as of June 30 of any previous year, shall be, and is hereby, required, as rapidly as the work can be accomplished, to make up in accordance with "Exhibit E" (§362.300) a record of property changes occurring between the date of inventory and December 31, 1918; the record to be made separately for each year ending June 30, up to and including the year ending June 30, 1917. The period from June 30, 1917, to December 31, 1917, should be shown separately. The period from December 31, 1917, to December 31, 1918, should be for the year for all carriers affected, except carriers whose property has been inventoried as of June 30, 1918. The last-named carriers shall prepare the record for the 6 months ending December 31, 1918. Thereafter the record shall be made up for the year ending December 31.

NOTE: The date for filing B. V. Form 588 and B.V. Form 589 reports, required by §362.1 were modified by orders of Apr. 7, 1941, and

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July 8, 1941; 6 FR 1915, 3478. The order of July 8, 1941, reads in part:

"Carriers are given to October 1, 1941, instead of June 30, 1941, in which to file B. V. Form 589 reports covering such periods, including 1940, for which they have not filed the B. V. Form 588 reports. For years subsequent to 1940 the returns upon B. V. Form 589 will be due on June 1 of the succeeding year provided returns upon B. V. Form 588 will not be filed by December 31. Reports upon B. V. Form 588 for 1941 and for any prior year not covered by such reports shall be filed by December 31, 1942, instead of by June 1, 1942, and beginning with the year 1942. B. V. Form 588 shall be filed annually by December 31, of the following year."

[Order 119, 46 FR 9052, Jan. 28, 1981; 46 FR 21155, Apr. 9, 1981]

§ 362.2 General.

That the Commission may be enabled to comply with that portion of section 19a of the act to regulate commerce reading:

Upon completion of the original valuations herein provided for, the Commission shall thereafter keep itself informed of all new construction, extensions, improvements, retirements, or other changes in the condition, quantity, use, and classification of the property of all common carriers as to which original valuations have been made, and of the cost of all additions and betterments thereto and of all changes in the investment therein, and may keep itself informed of current changes in costs and values of railroad properties, in order that it may have available at all times the information deemed by it to be necessary to enable it to revise and correct its previous inventories, classifications, and values of the properties; and when deemed necessary, may revise, correct, and supplement any of its inventories and valuations.

A uniform system of records, which shall be established by carriers, is here prescribed. In these records it is intended that carriers shall record the extensions, improvements, or other changes that are made in their physical property after the date fixed by the Commission for the inventory of that property. For convenience, the extensions, improvements, or other changes in physical property are hereinafter referred to, individually and collectively, as property changes. From the records prescribed certain reports hereinafter indicated shall be

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prepared by carriers and filed with the Commission.

[46 FR 21155, Apr. 9, 1981]

§ 362.3 Records to be established.

(a) The records which compose the system that shall be established are here listed:

(1) Authority for Expenditure, "Exhibit A."

(2) Detailed Estimate Sheet to supplement the Authority for Expenditure, "Exhibit A-1."

(3) Register of Authorities for Expenditures, "Exhibit B."

(4) Roadway Completion Report, "Exhibit C."

(5) Continuation Sheet to supplement the Roadway Completion Report, "Exhibit C-1."

(6) Semiannual Completion Report of Changes in Equipment, "Exhibit D."

(7) Record of Property Changes, "Exhibit E."

(b) The forms of the records numbered (1) to (6), inclusive, here prescribed, are shown by the exhibit lettered "A" to "D" (§362.300). These forms indicate the minimum information required for the Commission's purposes. Any or all of the records above specified may be varied as to the order and arrangement of the data required to be shown, and additional data may be shown at the option of the carrier, provided the minimum information required by these forms and instructions is shown upon the modified forms which carriers elect to use. The seventh record, styled Record of Property Changes, sample sheet of which is marked Exhibit "E" (§362.300) and made a part of the instructions in this part, may be varied to suit the convenience of carriers: *Provided*, The minimum information required by this form and instructions is shown upon the modified form which carriers elect to use: *And provided further*, That such modified form, Exhibit "E" (§362.300), shall not be adopted by the carrier until and unless approved by the Commission. With respect to size of forms, Numbers (1) to (7), inclusive, may be varied to suit the convenience of the carriers.

[Order 119, 46 FR 9052, Jan. 28, 1981; 46 FR 21155, Apr. 9, 1981]

§ 362.4 Reports to be prepared.

(a) The reports to be prepared by carriers from these records and filed with the Commission are here listed:

Statements compiled as of June 30 and December 31 of each year, listing the Roadway Completion Reports that have been prepared during the six months ending upon those dates, B. V. Form No. 586.

Statements compiled as of June 30 and December 31 of each year, listing the Equipment Completion Reports that have been prepared during the six months ending upon those dates, B. V. Form No. 587.

Statements of property units added and retired and their costs, to be prepared and filed at such times as the Commission may from time to time direct after the property is inventoried or after the date as of which any such previous lists are prepared and filed B. V. Form No. 588.

Annual statements of charges and credits to the investment account for property brought into, or retired from, operation, to be prepared as of December 31 of each year, B. V. Form No. 589.

(b) The forms and dimensions of these reports shall be as prescribed and indicated by the samples shown hereafter.

§ 362.5 Effective date of records; sources of entries.

(a) Carriers shall establish and begin using as of January 1, 1919, that part of the system here prescribed, which is embraced in the records marked exhibits "A" to "D" (§ 362.300).

(b) The Record of Property Changes, marked exhibit "E," (§ 362.300) shall be established, and the entries in it shall begin, as of July 1 next succeeding the date fixed by the Commission for the inventory of the property. The entries for the period prior to January 1, 1919, shall be taken from the available records. The source or sources from which the entries have been transcribed shall be shown with particularity for each entry.

§ 362.6 Classification of property changes.

The property changes recorded in the records here prescribed shall be classified in conformity with the accounting regulations prescribed by the Commission.

CROSS REFERENCE: For record of property changes, see § 362.19.

§ 362.7 Recording of quantities.

The actual quantities only of material and property installed during the course of a property change shall be recorded in the records here prescribed. If payments to contractors or others in settlement of losses or claims have been based upon other than the actual quantities installed, the amounts paid shall be entered in the appropriate accounts in the records here prescribed, but the constructive quantities upon which such payments have been computed shall be excluded from these records.

§ 362.8 Reporting changes participated in by other carriers.

Where one carrier assumes the cost of a change upon another carrier's property, or where one or more carriers participate with the owner in the cost of a change in the latter's property, the full detail of the property units involved and their costs shall be recorded in but one set of records and they shall be the records of the carrier to which the property in which the change has been made was originally inventoried by the Commission.

§ 362.9 Data required for newly built roads, branch lines constructed, or extensions of existing lines.

(a) There shall be filed with the Commission such maps, profiles, plans, diagrams, or other data for newly built roads as will show the nature and extent of their property and its location. Upon request of the Commission, such roads shall also file an inventory of their property. The valuation section references to be given such newly built roads shall be assigned under advice of the Commission.

(b) Maps, profiles, plans, diagrams, or other data relating to branch lines built, or to extensions of existing lines shall be filed with the Commission. Valuation section references which shall be a continuation in consecutive, numerical order of those previously assigned to the other owned property within the State shall be given to such branch lines and extensions.

(c) When so directed, carriers shall file with the Commission such maps, profiles, plans, diagrams, or other data

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relating to betterments, improvements, conversions, or retirements of property, as will show the general character and extent of those changes.

§ 362.10 Aids, gifts, grants, and donations.

The nature, amount, extent, and value of any aid, gift, grant of right of way, or donation made by the Government of the United States or by any State, county, or municipal government or by individuals, associations, or corporations, to any common carrier in connection with property changes in its property shall be recorded in the records, prescribed in this part of the carrier that was the recipient of such aid.

§ 362.11 Property acquired through purchase, merger or consolidation.

(a) If a common carrier, by purchase, or through merger or consolidation, acquires part or all of the physical property of another common carrier, the vendor shall issue an Authority for Expenditure and prepare a Completion Report to record its release of the property. The vendee shall issue an Authority for Expenditure and prepare a Completion Report to record its acquisition of the property.

(b) If the transaction involves all of the property devoted to common carrier purposes by the vendor, and that property has been inventoried by the Commission, or if the part transferred consists of one or more valuation sections in entirety, the entries under the heading "Property Retired" in the vendor's Completion Report shall consist of a list of the valuation sections that comprise the property released, arranged by States and with the valuation section termini shown. A copy of the Record of Property Changes recording the changes that have been made in the property during the interval between the date it was inventoried and the date it is transferred to the vendee, shall be prepared by the vendor and given to the vendee at the time the transfer is effected. The record thus secured by the vendee shall be perpetuated and used to record the changes which it makes in the property subsequent to its acquisition. As reference

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the vendee shall use its own valuation section number or numbers and also refer to the previous owner and its valuation section number or numbers. The vendee shall list in its Completion Report, under the heading "Property Units Added," the valuation sections that comprise the property acquired; the list shall be so arranged, described, and referenced as to correspond with the vendor's list. If new valuation section references are assigned by the vendee to the property acquired, they also shall be shown.

(c) If all, or part, of the property transferred consists of a portion only of a valuation section, an inventory of the portion transferred that is less than a valuation section shall be taken and the Completion Reports of both the vendor and vendee shall enumerate the property units and quantities determined in that inventory, and their costs whenever possible.

(d) If a common carrier acquires railway property from individuals, firms, corporations, or others, that were not common carriers, the vendee shall inventory the property acquired and shall embody the inventory in the appropriate Completion Report.

§ 362.12 Reporting cost of property sold and cost of property acquired.

The Completion Report of the vendor shall show the cost to the vendor of the property released. The Completion Report of the vendee shall show the cost to the vendee of the property acquired. If, in accordance with prescribed accounting regulations, the vendee is required to record the purchase price of property acquired, such cost shall be distributed equitably among the primary accounts applicable to such property.

§ 362.13 Units, quantities and descriptions, statement.

The unit designations, the quantities and descriptions recorded in the Completion Reports and in the Record of Property Changes shall be stated so far as possible in the terms of the inventory taken by this Commission.

§ 362.14 Reports to be attested.

The reports here prescribed to be filed with the Commission shall be attested under oath by the official under whose direction they were prepared.

§ 362.15 Authorities for expenditures.

(a) Carriers shall issue an Authority for Expenditure for each change in their property. In so far as possible these Authorities shall be issued in advance of making the property changes. Those covering involuntary retirements of property, or changes effected under stress of emergency, may be issued as and when the changes are made.

(b) The Authorities issued for roadway and structural changes shall not overlap valuation section limits. Each Authority issued shall describe the change authorized and its location. A blanket Authority may be issued for minor changes upon a valuation section and for such changes as affect an entire valuation section. Changes in the form of additions, improvements, or retirements, made in connection with a general maintenance program upon a valuation section, may also be authorized under blanket Authority.

(c) Roadway changes shall be authorized separately from equipment changes, except when a railway property, in whole or in part, is acquired in which is included the acquisition of equipment.

(d) The Authorities that are issued for equipment changes shall be drawn separately for the classes indicated by the Commission's classification of investment in road and equipment.

(e) In case the Authorities for Expenditure are issued by other than the company that owns the property in which the change is to be made, the pertinent facts of the circumstance shall be stated. Before issuance each Authority shall be referenced by a registered number with the name of the State and the number of the valuation section suffixed. Those issued for changes in equipment shall bear merely the suffix "Eq."

(f) A form of Authority for Expenditure is shown by the exhibit marked "A." (§ 362.300)

§ 362.16 Detailed estimate sheet.

Whenever it is desired to make an extended statement of the estimated cost of any property change, a detailed estimate sheet to supplement the Authority for Expenditure shall be used. A suggested form for this purpose is marked exhibit "A-1." (§ 362.300)

§ 362.17 Register of authorities for expenditures.

Each carrier shall establish a register in which to record in consecutive, numerical order with the appropriate State and valuation section references, the Authorities for Expenditures issued. The registered number, with the State and valuation section references suffixed (or in the case of equipment merely the suffix "Eq.") shall become the identifying reference of the change authorized and shall thereafter be so used. A suggested form of Register is marked exhibit "B," (§ 362.300) which is shown hereafter.

§ 362.18 Completion reports.

(a) As each change affecting roadway property is turned over to, or retired from, operation, and as common carrier property is transferred from one owner to another, a Completion Report shall be prepared to record the details of each such change. As illustrative of desirable forms for this purpose, reference is made to the exhibits contained in this part marked "C" and "C-1" (§ 362.300). Each Roadway Completion Report shall show:

Reference to the authority for expenditure.
The significant facts of ownership and operation.
The location of the property change.
A description of the property change.
By whom the costs involved are borne.
An enumeration by primary accounts of units added.
Aggregate cost but not cost per unit unless work was done by contract at a price per unit, in which case unit contract price shall be given. Aggregate cost of property added and retired shall be distributed by constituent parts or items of property under each primary account.
Cost of effecting property retirements shall be distributed by primary accounts.
Descriptive detail of the property units retired and their costs, and of any valuation sections, in whole or in part, released and their costs.

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Classification of the property changes and of the costs involved, among the appropriate accounts.

(b) For changes in equipment, completion reports that will show by classes the minimum information indicated by the exhibit contained in this part marked "D" (§ 362.300) shall be prepared as of June 30 and December 31, of each year, beginning June 30, 1919. These reports shall show:

Reference to the authority for expenditure.
The significant facts of ownership and operation.
The number, name, or other designation of the unit or series of units to which the change is applicable.
Description of the equipment to which the change is applicable.
Number of units affected by the change.
Description of the change.
Date of change.
Cost of change.
Distribution to the appropriate accounts of the cost of the change.

(c) If completion reports are prepared by other than the carrier that owns the property in which the change has been made, the pertinent facts of the circumstance shall be stated.

(d) Where roadway or structural changes are effected under contract and paid for in a lump sum, a list of the units involved in the change, if not obtainable otherwise, shall be secured by an inventory of the property change. The amount paid under the contract shall be distributed to the accounts to which the property is classified in the inventory.

(e) If portions of an authorized change are turned over to operation before completion of the project as a whole, "Progressive" completion reports, referenced as such and numbered, shall be prepared to record the portions of the change that have been brought into operation. The report that records the conclusion of the authorized change shall be designated as the "final" completion report.

(f) From the completion reports described, transcripts shall be made to the record of property changes, as hereinafter indicated.

(g) Completion reports covering property changes that were in progress on the date of valuation, portions of which changes had been turned over to operation and included in the inventory of

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this Commission, shall be divided into two parts—the first part to show the property turned over to operation and inventoried as of the date of valuation and its costs, the second part to show the property units subsequently installed and their costs. The quantities and costs included in the second part only shall be transcribed to the Record of Property Changes.

§ 362.19 Record of property changes.

(a) As of July 1 next succeeding the date fixed by the Commission for inventory of the property, carriers shall establish for each valuation section a Record of Property Changes, the form of which is shown by the exhibit contained in this part marked "E" (§ 362.300) to which shall be transcribed from the Completion Reports, a record of the changes which affect the property embraced in each valuation section. The record shall be established according to owners of the property in which the change is made and shall be arranged by those primary accounts of the classification prescribed by this Commission for investment in road and equipment that are applicable to each valuation section.

(b) For equipment, the Record of Property Changes shall be established according to owners of the property in which the change is made and in conformity with those primary accounts of the aforementioned classification which are applicable to that class of property. Equipment shall be grouped according to the regional assignment to which it is allocated.

(c) Each transcript to the record shall show reference to the appropriate Authority for Expenditure. In the case of installations of property, the date that such property was turned over to operation shall be shown. In the case of retirement of property, the date that such property was withdrawn from the service shall be shown. The amounts transcribed as the cost of property installed shall be those only that affect the investment in road and equipment. Those costs in the completion Report that are distributed to other than the investment in road and equipment shall be omitted from the Record of Property Changes. The costs inserted

for additional property or improvements shall be stated separately from the cost of property that has been retired. Under the appropriate headings descriptive of property units, there shall be shown separately the units added and the units retired. The entries for retired units shall be in red or otherwise clearly indicated.

(d) The headings inserted in the Record of Property Changes descriptive of property units, shall be stated so far as possible in the terms of the Commission's inventory of the property. As new types of property units are introduced, appropriate descriptive headings shall be inserted.

(e) In aggregating the items entered in the Record of Property Changes the total inserted under each primary account shall be so arranged as to show separately the property additions and their costs, from the property retirements and their costs, for the period for which the total is being stated. Nowhere in the record shall use be made of net figures or amounts in recording property changes.

(f) The Record of Property Changes shall contain no entries for the inventoried portions of property changes that were under way on the date fixed by this Commission as of which the property was to be valued.

CROSS REFERENCE: For classification of property changes, see § 362.6.

§ 362.20 Statement of property units added and retired and their costs.

Upon forms like the one marked "B. V. Form No. 588," (§ 362.300) carriers shall prepare and file with this Commission, when directed, statements that shall show for each valuation section and for equipment:

(a) A list of property added since the inventory or since the date of any such previous list and its cost; (b) a list of property retired or released since the inventory or since the date of any such previous list and its cost. The property listed shall be stated in the terms of the inventory and shall be so arranged and classified as to correspond with the inventory. Provision shall be made under each account for inserting descriptions of any new types of property or units that may have been introduced since the inventory. The entries to be

inserted in the columns headed "Property Added" and "Property Retired" shall be taken from the Record of Property Changes and shall correspond with the data there recorded. The amounts representing the costs inserted under the heading "Property Added" shall be those only that affect the investment in road and equipment.

CROSS REFERENCES: For property added, see § 362.102. For property retired, see § 362.104. For retirement quantities and costs applicable to property retired other than land, see §§ 362.105, 362.106. For costs applicable to land retired, see § 362.108.

§ 362.21 Records and reports prescribed applicable to all carriers.

The forms of the records and reports prescribed in this part are those applicable to steam roads only, and the instructions governing the use of those records and reports have been expressed in terms that are likewise applicable to steam roads only. Nevertheless, the records and reports prescribed and the instructions governing them, after suitable modification to adapt them to the varying terminology and arrangement of the accounting classifications prescribed by the Commission, shall apply with equal force to all common carriers that are subject to the act to regulate commerce.

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§ 362.101 Form of report.

Upon forms like B. V. Form 588 Revised (§ 362.300), size 11 by 17 inches the carrier shall file with the Commission, statements that will show for each valuation section and for equipment:

(a) A list of property added since the inventory or since the date of any such previous list and its cost.

(b) A list of property retired or released since the inventory or since the date of any such previous list and its cost.

NOTE: Effective with forms prepared and filed to report property changes made during the year 1957, the requirements for filing forms B. V. 588-R in duplicate was canceled, the original only being required to be filed as above.

§ 362.102 Property added.

Property added shall be reported, together with its cost, separately from property retired and shall be reported by actual "in place" quantities in terms of the units shown in the "List of Units to be used in connection with valuation order No. 3. Second Revised Issue," with descriptive detail to conform with that therein prescribed, or as modified by § 362.129 of the instructions in this part.

CROSS REFERENCE: For statement of property units added and retired and their costs, see § 362.20.

§ 362.103 Cost of property added.

(a) The amounts reported as the cost of property added shall be only those that affect the investment in road and equipment except as hereafter provided with respect to lands, miscellaneous physical property, and cost of road acquired through purchase, merger, consolidation or reorganization, and reconstruction of road so acquired.

(b) The cost reported need be only the total cost of each structure as defined in § 362.121, the total cost for each mass account as defined in § 362.120 of the instructions, or as prescribed by the subschedules.

(c) Except that when changes are reported under the unit designation "lot," the cost applicable to such unit shall be also reported.

(d) The costs to be reported for betterments shall be computed in accordance with the rules in the effective accounting regulations. With respect to costs to be reported for track changes in connection with betterments applied, the costs to be reported for account 9, Rails, shall be the cost of the excess in weight of heavier rails laid in replacement of lighter rails; for account 10, Other track material, the excess cost of heavier or improved track material; and for account 11, Ballast, the excess cost of improved ballast. (Added by order of April 17, 1976.)

(e) A supplemental Form No. 588-R shall be filed for account 9, Rails, account 10, Other track material, and account 11, Ballast, bringing the property costs, as shown in the valuation records of the Commission, into conformity with the costs recorded in the

books of account pursuant to revised Instruction 2-19 of the accounting regulations. Carriers which recorded costs as shown in valuation records in their books of account at time of reorganizations shall file a supplemental Form 588-R for the period subsequent to the reorganization.

CROSS REFERENCE: For statement of property units added and retired and their costs, see § 362.20. For subschedules, see § 362.118.

§ 362.104 Property retired.

Property retired shall be reported separately from property added, and shall also be reported in terms of the units shown in the "List of Units" (§ 362.200(c)) previously referred to, with descriptive details to conform with those therein prescribed, except however, property included in the basic valuation reports and subsequently retired may be stated in terms of the units shown therein. The retirement of a complete structure individualized in the basic reports need be described only to the extent necessary to permit ready identification of such structure in the basic reports.

§ 362.105 Retirement quantities.

(a) In reporting retirements of property which was included in the final valuation reports of the Commission the quantities thereof shall agree with the quantities included in the final Engineering Report. If loss and waste is included in the reported quantities, a note to that effect shall be made.

(b) In reporting retirements of property which was not included in the final valuation reports of the Commission, but subsequently included in the records and reports prepared in compliance with valuation order No. 3, the quantities shall conform with the record covering the installation of such property.

§ 362.106 Costs applicable to property retired other than land.

(a) The costs to be reported applicable to property retired other than land shall be:

(1) In column 12, the cost of reproduction new for property included in the basic valuation report, for equipment report also the original cost in column 11.

(2) In column 11, the cost included in the records and reports prescribed by valuation order No.3 for property installed since date of basic valuation.

(b) [Reserved]

(c) In determining the cost of property retired from service when it is impracticable because of the relatively large number and small size of units of any kind to determine the specific cost thereof, average costs may be used.

(d) When changes are reported under the unit designation "lot," the cost applicable to such unit shall be also reported.

§ 362.107 Land for transportation purposes.

(a) Changes in lands owned or used for the purposes of a common carrier including acquisitions of lands or rights and lands retired, sold, or otherwise transferred, shall be reported on B. V. Form No. 588, subschedule "L," (§361.300) attached hereto and made a part hereof. This subschedule shall be filed in duplicate with one copy carbon backed. In the preparation of subschedule "L" there shall be shown in column 15 under the caption "Remarks" for lands acquired a statement of the specific use to which such lands have been put and for lands retired or transferred from carrier use the disposition thereof, such as sales, transfers to noncarrier, reversions, etc. Such lands shall be designated by the map number and parcel number shown therefor in the basic Land Report if included therein.

(b) Assessments for public improvements applicable to lands owned or used for common-carrier purposes shall be reported on subschedule "L" in total for each valuation section and by years.

(c) Incidental land cost need not be reported in detail; only the lump-sum cost applicable to each parcel need be shown.

§ 362.108 Costs applicable to land retired.

The costs to be reported under the heading "Property Retired" for items of land shall be, the cost at the date of dedication to public use, and separately, the amount entered in the in-

vestment account to record therein the retirement.

§ 362.109 Property transferred from carrier use to noncarrier classification and vice versa.

In reporting changes in carrier property, transfers from noncarrier to carrier use shall be considered additions and transfers from carrier use to noncarrier classification shall be considered retirements and conversely when reporting for noncarrier property.

§ 362.110 Jointly owned or jointly constructed property.

Changes in jointly owned or jointly constructed property shall be reported separately from other property. The total quantities and total costs shall be reported. The total cost shall be shown in the description column and a statement of the names of the owning or participating companies, individuals or political subdivisions with the amounts or proportions owned and contributed by each. The cost to be entered under the heading "Property Added" shall be the portion of the total cost borne by the company for which the report is made plus the cost of property relinquished and retired from service as a direct result of the arrangement less the salvage recovered therefrom, and less the depreciation accrued on the property. The net amount is part of the total cost of the property to the carrier.

§ 362.111 Changes made in or to property of other common carriers.

Where one carrier assumes the cost of a change upon another carrier's property or where one or more carriers participate with the owner in the cost of a change in the latter's property, the full details of the property units involved and their cost shall be reported separately from other property changes and the facts as to ownership and use shall be stated.

§ 362.112 Changes in use of property.

(a) Changes in use of carrier property, through leases from or to common carriers, shall be reported in sufficient particularity to permit identification of the property by ownership and physical characteristics in the

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basic valuation report or other valuation records.

(b) Changes in the use of property through leases from individuals, firms, corporations, or others not common carriers that are in effect at the date of the report shall be appropriately reported.

§ 362.113 Reconciliation with investment accounts.

The carrier shall prepare and file with reports on B. V. Form 588 (§ 362.300) a general analysis of the difference between the charges and credits in Columns 5, 11, and 12 of that form and the increases or decreases in the investment account during the reporting period. The detail of items forming such difference shall be grouped under appropriate descriptive headings according to the nature of the difference.

§ 362.114 Roads acquired through purchase, merger, consolidation, or reorganization.

(a) Pursuant to sections 10 and 11 of order No. 3 (§§ 362.11, 362.12) the changes made in the property during the interval between the date it was inventoried to the former owner and the date transferred to the vendee shall be reported separately from the changes made in such property subsequent to its acquisition. In addition to such changes there shall be reported separately a statement of the property acquired together with the money outlay for constructing and improving such property, which statement shall include the amounts representing the difference between the cost of acquisition and such money outlay in the convenience account styled "Difference between the price paid for property acquired and the money outlay for construction and improvement of that property," and also a statement describing the manner in which the money outlays were ascertained and the basis of distribution among the primary accounts that are applicable to the property.

(b) If the property has been acquired from individuals, firms, corporations or others that were not common carriers the statement shall show in addition to the foregoing the manner in which an

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inventory of the property was determined.

§ 362.115 Reconstruction of road acquired through purchase, merger, consolidation, or reorganization.

(a) Property changes incident to reconstruction of road acquired shall be reported separately from all other property changes. The units installed and their costs and the units retired and their costs shall be allocated on such report to the primary accounts applicable to the property and under each such account they shall be subdivided to show:

(1) Property added in replacement of like property and the retirements in connection therewith.

(2) Property added in betterment of existing property together with retirements in connection therewith.

(b) With the exception of the foregoing subdivision, the reporting of the units and cost for the property added and property retired shall conform to the general rules set forth in this part for other additions and retirements.

CROSS REFERENCE: For rules concurring additions and betterments to and retirements of units, see § 362.132.

§ 362.116 General expenditures (Accounts 71 to 77, inclusive).

When items of general expenditures have been included in a particular road and equipment account as a part of the cost of any specific property such amount shall be separately stated under each primary account on the form and indication shall be given as to the general nature of the items.

§ 362.117 Other changes.

The foregoing rules in this part relate to the manner of reporting property changes, the cost of which affects the investment in road and equipment account. The rules relating to the manner of reporting changes in miscellaneous physical property are shown in the special instructions in § 362.21 of this chapter. If there have been other changes which affect the condition and value of the property, such changes shall be reported separately, with their costs, from those the cost of which affects the investment in road and equipment account, but in conformity with

the general rules given in this part and an explanation made of the accounting performed in connection with such changes.

§ 362.118 Subschedules.

Subschedules are provided by the instructions in this part for reporting changes in land equipment and miscellaneous physical property. Other subschedules may be used for reporting the foregoing and other classes of property provided that they are first approved by the Commission as to form and method of preparation. When subschedules are used, total charges and credits for each primary account shall be shown upon B. V. Form No. 588 (§ 362.300) with appropriate reference to the subschedules. Subschedules shall be filed in duplicate with one copy carbon backed.

§ 362.119 Division of road accounts.

For the purpose of conveniently indicating the treatment to be accorded different classes of property General Account I, Road (except land), will be considered as containing two distinct classes of property; namely, "mass property" and "structural property." By mass property is meant property of like kind and characteristics, the quantities of which may be considered collectively and reported as a single item. By structural property is meant property which from its nature must be individualized and reported separately from property of like kind and characteristics.

§ 362.120 Mass property.

This class of property shall be construed generally to include the following:

- (a) All items in Account 3, Grading.
- (b) All items in Account 6, Bridges, trestles, and culverts and Account 7, Elevated structures, except as required to be individualized and with respect to which instructions are contained in the "List of Units" under this account.
- (c) All items in Accounts 8, Tie; 9, Rails; 10, Other track material; 11, Ballast; 12, Track laying and surfacing.
- (d) All items in Account 13, Fences, snowsheds, and signs.

(e) All items in Account 26, Communication systems, except equipment of dispatcher or large relay offices.

(f) All items in Account 27, Signals and interlockers, except interlocking plants.

(g) All items in Account 37, Roadway machines; Account 38, Roadway small tools; and paving in Account 39, Public improvements—Construction.

§ 362.121 Structural property.

This class of property shall be construed generally to include the following:

(a) Under Account 5, Tunnels and subways, each tunnel or subway.

(b) Under Account 6, Bridges, trestles, and culverts; Account 7, Elevated structures; and Account 39, Public improvements—Construction, each bridge or other structure required by the instructions in the "List of Units" under Account 6, to be treated individually.

(c) Under Account 16, Station and office buildings, and Account 17, Roadway buildings, each building except those of minor importance which conform in size and character to an established standard of construction.

(d) Under Account 18, Water stations, each water station or water-treating plant.

(e) Under Account 19, Fuel stations, each fuel station.

(f) Under Account 20, Shops and engine houses, each shop building, engine house, turntable, cinder pit, or gas production plant, each plant.

(g) Under Account 21, Grain elevators, and Account 22, Storage warehouses, each building.

(h) Under Account 23, Wharves and docks, and Account 23, Coal and ore wharves, each wharf, dock, or pier.

(i) [Reserved]

(j) Under Account 26, Communication systems, each dispatcher or larger relay office.

(k) Under Account 27, Signals and interlockers, each interlocking plant.

(l) [Reserved]

(m) Under Account 29, Power plants each building, including power substation buildings.

(n) Under Account 31, Power-transmission systems, each shop plant or each power system, including each power-distribution system, power-line

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poles and fixtures system, and underground conduits system.

(o) Under Account 35, Miscellaneous structures, important structures as may be appropriate.

(p) Under Account 44, Ship machinery and Account 45, Power-plant machinery, each separate plant.

§ 362.122 Manner of reporting changes in mass property.

Mass property shall be listed in total by units for all years to cover the complete period subsequent to valuation date or since the date of any such previous list, unless specific instructions to the contrary are given, and the weighted average date (year) of installation shall be shown for each item except for clearing, grubbing, grading, or items in Account 12.

§ 362.123 Manner of reporting changes in structural property.

(a) Each bridge, building, structure, plant, or facility referred to in § 362.121 as "structural property" shall be reported separately from every other bridge, building, structure, plant, or facility, and the accessories attached thereto, or forming a part thereof, such as furniture, fixtures, equipment, and appurtenances shall be grouped therewith and reported in appropriate units with descriptive detail as indicated in the "List of Units" § 362.200(c).

(b) Structural property shall be reported in such a manner as to show date of installation of new facilities, date (year) of additions and betterments made to existing facilities, and date of retirements facilities or parts thereof.

§ 362.124 Structural property additions and betterments.

(a) In reporting additions and betterments to and retirements from structural property all changes affecting a given bridge, building, structure, plant, or facility shall be grouped under a common description of such facility or an appropriate reference to the same by page and item number of the Engineering Report. Each change shall be separately recorded thereunder in terms of the units and descriptions prescribed in the "List of Units"

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(§ 362.200(c)) and the date (year) of each change shall be noted.

(b) In reporting retirements of units designated as structural property to which additions and betterments have been added since valuation date, the net cost of such additions and betterments shall be stated separately from the costs attaching to the unit as existing on valuation date or as installed subsequently thereto.

§ 362.125 Structural property; major renewals.

When an important building or structure has been retired and replaced due to the renewal of its major portion, the retirement entry shall show all parts of the structure, including those left in place for reuse; the addition shall include such reused parts, in order that the units reported installed shall embrace all those in the facility as restored to service. Reused units and quantities must be separately stated on the report.

§ 362.126 Valuation sections.

(a) Reports shall be prepared separately for each valuation section shown in the basic engineering report and for those since established.

(b) Appropriate combinations of present valuation sections should be made within practical limitations, to promote facility and economy, subject to the approval of the Commission.

(c) Roadway machines and other similar items may be reported "Unallocated" subject to the approval of the Commission.

§ 362.127 Mileage changes.

Report shall be made of all changes in track mileage divided to show separately first main track, second main track, third main track, fourth main track, etc., and yard tracks and sidings.

§ 362.128 Separations by sheets or subschedules.

The following accounts or groups of accounts should be reported on a single sheet or series of sheets; Accounts 1 and 71 to 77, inclusive; 2, 2½ (reproducible), and 39 (assessments); 2½ (non-reproducible), 3, and 5; 6 and 7; 8 to 13, inclusive, and 39 (construction); 16, 17,

and 35; 18 and 19; 20 to 22, inclusive; 23 and 24; 26; 27; 29; 31; 40 to 43, inclusive; and, 44 and 45.

§ 362.129 Modifications of items and units.

Modification in the items, units, forms, and manner of reporting may be made only with the approval of the Commission.

§ 362.130 Inventory groups.

(a) The instructions pertaining to the equipment accounts are based on the group plan of recording and reporting changes in such property.

(b) This plan contemplates the establishment of groups of cars, locomotives, etc., hereinafter referred to as "inventory groups." A group once established should remain unaltered except to the extent of additions and betterments to individual units and the retirement of units. An inventory group for property included in the final Engineering Report shall be the group established by the Commission as indicated in the final Engineering Report. For equipment acquired since valuation date each class or series of like units built under uniform plans and specifications shall constitute a new inventory group except that subdivisions may be made for convenience in accounting where a series is constructed at different plants or under varying unit contract costs.

§ 362.131 Equipment acquired.

(a) Each inventory group established for equipment shall be reported separately from every other such group on B. V. Form No. 588-R or with the descriptive detail outlined in the List of Units. Freight charges shall be separately reported with the place built, f.o.b. point and also the setting-up point for locomotives and receiving point for cars. The name of the vendor shall be reported for equipment purchased second hand.

(b) For rebuilt or converted units constituting a new inventory group ref-

erence shall be made to the original group.

§ 362.132 Additions and betterments to and retirements of units.

The changes which occur in each established inventory group such as additions, betterments, and retirements made since valuation date or since the group was established shall be reported on B. V. Form No. 588-R or subschedule B. There shall be recorded and reported the data indicated by the captions on the subschedule in summary form for each year the current status of each group, as a whole, with respect to the number of units at the end of the year and the changes during the year. There shall be reported in column K a description of major additions and betterments applied during the year or period. (See § 362.129.) Symbols may be used to describe such additions and betterments.

§ 362.133 Subschedule M.

(a) On B. V. Form No. 588, subschedule M (§ 362.300) there shall be reported the changes in the physical property that is owned and "held for purposes other than those of a common carrier," including the additions to, and improvements of such property during the period and the sales, transfers, abandonments, or other dispositions made of such property or any part of it during the same interval.

(b) The information reported shall be as prescribed by subschedule M and shall be grouped as may be appropriate under the following headings that shall be inserted upon the form:

- (1) Unimproved noncarrier lands.
- (2) Improved noncarrier lands.
- (3) Noncarrier improvements upon land which is classified as devoted to common-carrier purposes.
- (4) Noncarrier improvements upon lands belonging to others.
- (5) Assessments for public improvements applicable to noncarrier lands shall be reported by lump sums for each year.

§ 362.200 List of units for use of carriers in the preparation of Completion Reports and the Record of Property Changes.

(a) *Order of Commission.* (1) Valuation Order No. 3 Second Revised Issue, prescribing the regulations and instructions to govern the recording and reporting of all extensions and improvements or other changes in physical property of every common carrier subject to the Interstate Commerce Act, provides in section 17, (§362.18) that such carrier shall record on Completion Reports the details of each change affecting roadway property and equipment turned over to, or retired from, operation and of common carrier property, transferred from one owner to another; section 18, (§362.19) provides that such carriers all establish a Record of Property Changes to which shall be transcribed from the Completion Reports a record of the changes which affect the property embraced in each valuation section.

(2) Supplement No. 5 to Valuation Order No. 3, Second Revised Issue, provides that carriers shall report to the Commission on B. V. Form 588 (§362.300) the changes that have been made in the physical property since the date fixed for the basic inventory of the property or since the date of any such previous report.

(3) For the purpose of establishing a uniform manner of recording and reporting such details: *It is ordered, That:*

(i) Each and every such carrier and each and every such receiver or operating trustee of any such carrier, be, and is hereby required, to record such changes in property subsequent to December 31, 1932, in accordance with the list of property units attached hereto and made a part hereof.

(ii) Each and every carrier of the class described and referred to herein and each and every receiver or operating trustee of any such carrier whose Completion Reports, Record of Property Changes, or reports on B. V. Form 588 (§362.300), have not been prepared for a given year or period as of the effective date of this order may prepare such records and reports in accordance with this list of property units.

(b) *Explanation.* (1) The units referred to herein are those prescribed for use of

carriers in the preparation of Completion Reports, and also for the Record of Property Changes, and B. V. Form 588-R (§362.300) except as otherwise noted.

(2) The items and units listed are to be considered as merely representative and not as excluding from any account necessary analogous items which are omitted from the list. Where additional units are desired in a given account, appropriate designations may be selected, preferably from the lists in other accounts.

(3) If type symbol designations are used as descriptive of the character and size of items, complete and detail description of what comprises each type shall be prepared, shall be filed with and be subject to the approval of the Commission.

(4) In the following list of units, the phrases shown in the parentheses after each item are indicative of the descriptive information required and the subdivision by classes for each item.

(5) All fixed property must be reported by definite location. Where necessary to supplement descriptions, reference to available plans and specifications should be shown on Completion Report.

(6) Materials salvaged from property retired when reused shall be designated as "second hand." Parts of a structure left in place and reused in connection with property retired and replaced shall be designated as "reused."

(c) *List of units by account numbers.*

Account 1. Engineering (No units are required for this account.)

Account 2. Land for Transportation Purposes

Account 3. Grading

See accounts 6 and 26.

Account 5. Tunnels and Subways

Account 6. Bridges, Trestles, and Culverts

Account 7. Elevated Structures

See account 6.

Account 8. Ties

Account 9. Rails

Account 10. Other Track Material

Account 11. Ballast

Account 12. Tracklaying and Surfacing

Account 13. Fences, Snowsheds, and Signs

Account 16. Station and Office Buildings

Account 17. Roadway Buildings

Account 18. Water Stations

Account 19. Fuel Stations

Account 20. Shops and Engine Houses

Account 21. Grain Elevators

Account 22. Storage Warehouses

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Account 23. Wharves and Docks
Account 24. Coal and Ore Wharves
Account 26. Communications Systems
Account 27. Signals and Interlockers
Account 29. Power Plants
Account 31. Power-Transmission Systems
Account 35. Miscellaneous Structures
Account 37. Roadway Machines
Account 38. Roadway Small Tools
Account 39. Public Improvements; Construction
Account 40. Revenues and Operating Expenses During Construction
Account 42. Reconstruction of Road Property Acquired
Account 43. Other Expenditures; Road
Account 44. Shop Machinery
Account 45. Power-Plant Machinery

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Account 51. Steam Locomotives
Account 52. Other Locomotives
Account 53. Freight-Train Cars
Account 54. Passenger-Train Cars
Account 56. Floating Equipment
Account 57. Work Equipment
Account 58. Miscellaneous Equipment
Accounts 71, 72, 73, 74, 75, 76, 77.

NOTE: Under these accounts there shall be recorded descriptive details which shall clearly set forth the character and the nature of the items and in such particulars as to distinguish as between payments for service, for supplies consumed, and for inventoriable property. With respect to items falling within the last-named class appropriate unit designations shall be selected from the items shown under other accounts.

When items of general expenditures have been included in any road or equipment ac-

counts as part of the cost of any specific property, such items shall be separately stated and the nature appropriately described.

§ 362.300 List of forms.

Exhibit A—Authority for Expenditure.

Exhibit A-1—Detailed Estimate.

Exhibit B—Register of Authorities for Expenditure.

Exhibit C—Roadway Completion Report.

Exhibit C-1—Roadway Completion Report.

Exhibit D—Completion Report of Changes made in equipment for six months.

Exhibit E—Record of Property Changes.

B. V. Form No. 586—Report of roadway completion reports covering changes for six months.

B. V. Form No. 587—List of equipment completion reports covering changes for six months.

B. V. Form 588, Subschedule B (revised)—Equipment changes.

B. V. Form 588, Subschedule L (revised)—Statement showing changes in lands owned or used for the purpose of a common carrier.

B. V. Form 588, Subschedule M (revised)—Statement showing changes in physical property of owning company held for purposes other than those of a common carrier.

B. V. Form 588, Subschedule N (revised)—Statement showing changes in leases.

B. V. Form 588-R—Statement showing property changes for a certain period.

B. V. Form No. 589—Annual statement of charges and credits to the investment account for property brought into or retired from operation in a State.